



LODI CITY COUNCIL
Carnegie Forum
305 West Pine Street, Lodi

"SHIRTSLEEVE" SESSION

Date: January 27, 2004

Time: 7:00 a.m.

Revised: 1/23/04 @ 3:00 p.m.

Supplemental material added

For information regarding this Agenda please contact:

Susan J. Blackston
City Clerk
Telephone: (209) 333-6702

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Informal Informational Meeting

A. Roll call by City Clerk

B. City Council Calendar Update

C. Topic(s)

C-1 Fire Department Paramedic Program, County Emergency Medical Services RFP, and partnership update (FD)

D. Comments by public on non-agenda items

E. Adjournment

Pursuant to Section 54954.2(a) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day.

Susan J. Blackston
City Clerk



**CITY OF LODI
FIRE DEPARTMENT
MEMORANDUM**



DATE: January 23, 2004
TO: City Council through Dixon Flynn
FROM: Michael Pretz
SUBJECT: Supplemental information on Public/Private Partnership

On Friday, January 23, 2004, Ty Mayfield and I met with members of the Stockton Fire Department and American Medical Response to discuss the elements of a partnership with the Lodi Fire Department. After a long and fruitful discussion, I believe it is in the best interest of the Lodi Fire Department to enter into a partnership with the Stockton Fire Department and AMR.

I will be happy to discuss the change in recommendations with Council during the January 27th shirtsleeve meeting.



CITY OF LODI FIRE DEPARTMENT



MEMORANDUM

DATE: January 27, 2004
TO: Dixon Flynn
FROM: Michael Pretz
SUBJECT: County Wide EMS Redesign

San Joaquin County EMS Agency has recently embarked upon the process to establish Exclusive Operating Areas (EOA's) throughout the county. Because this is a change to the current practice of allowing ambulance providers to work in a zone as long as they meet state/county criteria, I believe it is essential to the provision of Emergency Medical Services in the City of Lodi that you and Council are engaged in the process of redesigning the EMS system.

I have included a copy of a letter to the EMS consultants that explains the positions of the County Fire Chiefs Association. The positions of the fire chiefs in this letter were reached after much discussion. The fire departments in San Joaquin County are an integral component to the provision of emergency medical care. In fact, without fire department involvement, no private provider would be able to bear the financial burden of providing fire responder services in a timely manner. The fire departments in the county effectively subsidize private providers for the provision of basic medical services.

I cannot stress enough the importance of Council and City Management engagement in this process. There will be few opportunities to have input in the redesign of the current system. Moreover, the municipalities, where the major populations in the county live, have the ability to exert influence on the Board of Supervisors. It is of the utmost importance that the EMS system meets the needs of the City's as well as those of the rural areas. To that end, I have outlined areas that I believe are important to a well designed system.

- The County is divided into 8 ambulance zones, 5 of which are non-exclusive. The City of Lodi operates in Zone 4. The Board of Supervisors has indicated they would like to see multiple providers within the different zones. The City of Lodi should insist upon this provision.
- Cities should receive revenue for first responder services. The fire departments throughout the County generally arrive first and begin care long before the arrival of an ambulance. Recognition of and payment for first responder costs must be included in the RFP and final agreement.

- Municipal governments should have control over response time criteria and the number of available transport vehicles. In addition, unit location should be developed using population density not travel time or distance.
- Penalties for failure to meet response time criteria should be sufficient to not lower levels of service.
- These are a few of the necessary reforms that should be included in the redesign of the EMS system. There are additional components that are included in the memo enclosed.

The City of Lodi and San Joaquin County are at a unique point in time regarding the provision of Emergency Medical Services to our community. The County has hired a consultant who is in the process of gathering information with which to make recommendations on the design of the EMS system. I would like Council to adopt the suggestions I have put forward and will be discussing them when we meet January 27th. If I can be of any further assistance, please do not hesitate to contact me.

To: Chico Research Foundation
Dr. Richard Narad
Ms. Diane Ackers

From: Michael Pretz, City of Lodi
Gary Gillis, City of Stockton
Vic Soleri, Linden Peters Fire District
Terrell Estes, City of Tracy

Re: Re-design of County EMS System

Date: December 19, 2003

The San Joaquin County Fire Chiefs Association has established a committee to represent their interests in the redesign of the current EMS system through the RFP process. Fire departments play a major role in the delivery of first responder EMS both as an ALS and BLS provider. While we acknowledge and respect the County's responsibility to regulate ambulance services, the County's fire departments still have the responsibility to provide services to their respective communities. In fact, the only constant in the EMS system is the fire department's capability to provide continued service in spite of the private provider service level changes.

As such, we believe the redesign of the EMS system through the RFP process should include the following points:

- The Board of Supervisors has indicated publicly they would like to see multiple providers within the different Zones. Therefore the County should be divided into three service areas; Greater Stockton (Zones 1, 2, 3), Greater Lodi (Zone 4) and Greater Tracy (Zone 5).
- A revenue stream for ALS and BLS first responders must be established. Revenue should be sufficient to cover marginal costs for providing services.
- Fire Departments should be allowed to bid on the RFP process and/or not excluded by credentialing.
- City governments should have control of response time criteria and the number of available transport vehicles within their respective communities.
- Any private provider must demonstrate the ability to increase ambulance staffing by 20% within 20 minutes and have sufficient reserve units available for rapid response to major incidents.
- The RFP should include both emergency and non-emergency services, subcontracting would be allowed. Critical care units and out of county responses should be treated as additional services and not be a part of transport criteria.

Re-design of County EMS System
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- Response time criteria should be developed using population density not travel time. Arrival of transport vehicle, not first responder stops the clock.
- Penalties for failure to meet response time criteria should be sufficient to not lower levels of service.

We are looking forward to meeting and discussing these issues with you. If we can be of further assistance, do not hesitate to contact us.



Lodi Fire Department



Paramedic Program Update

Paramedic Program Update

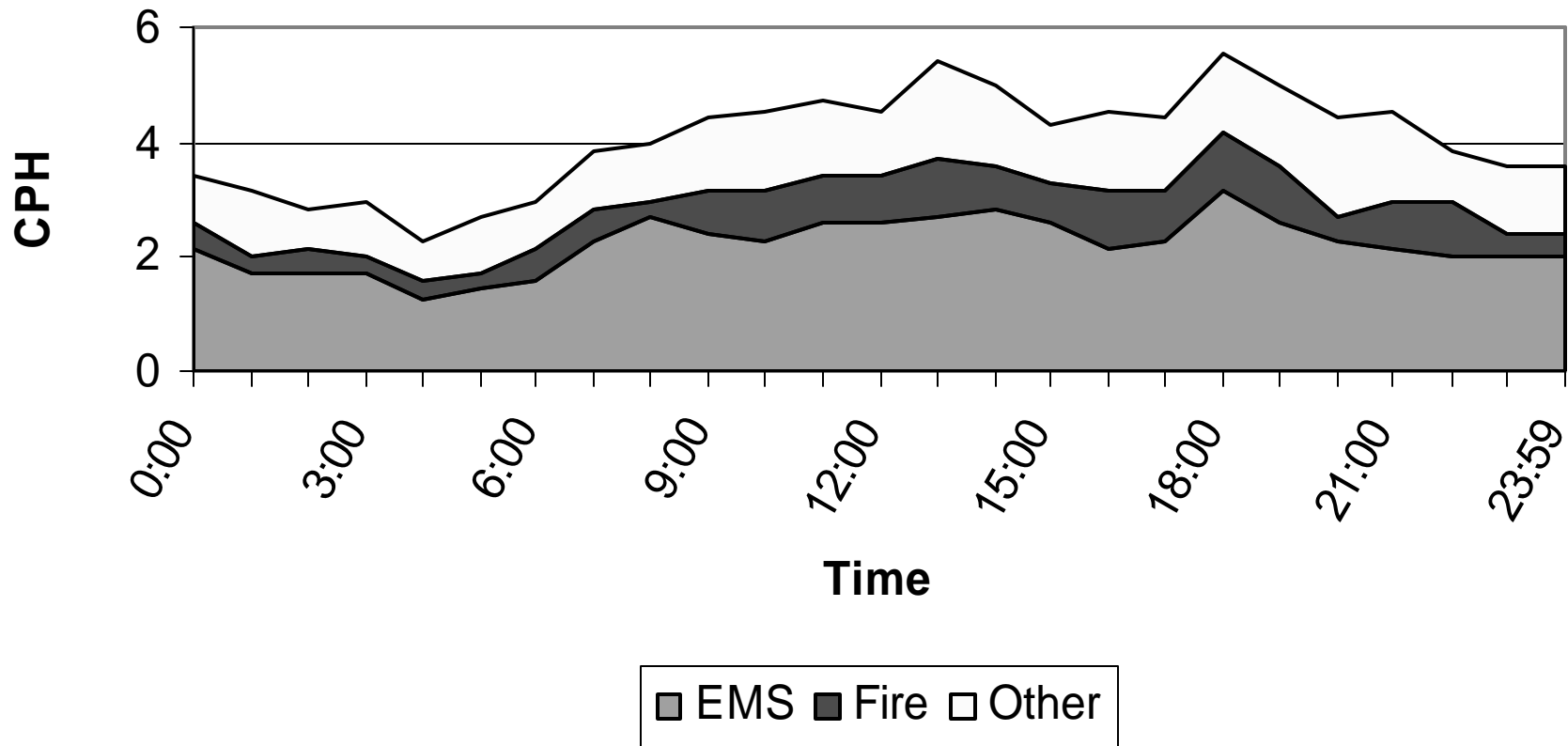


- Current Performance
- Needs Analysis
- County Issues
- LFD Solutions



Current Performance

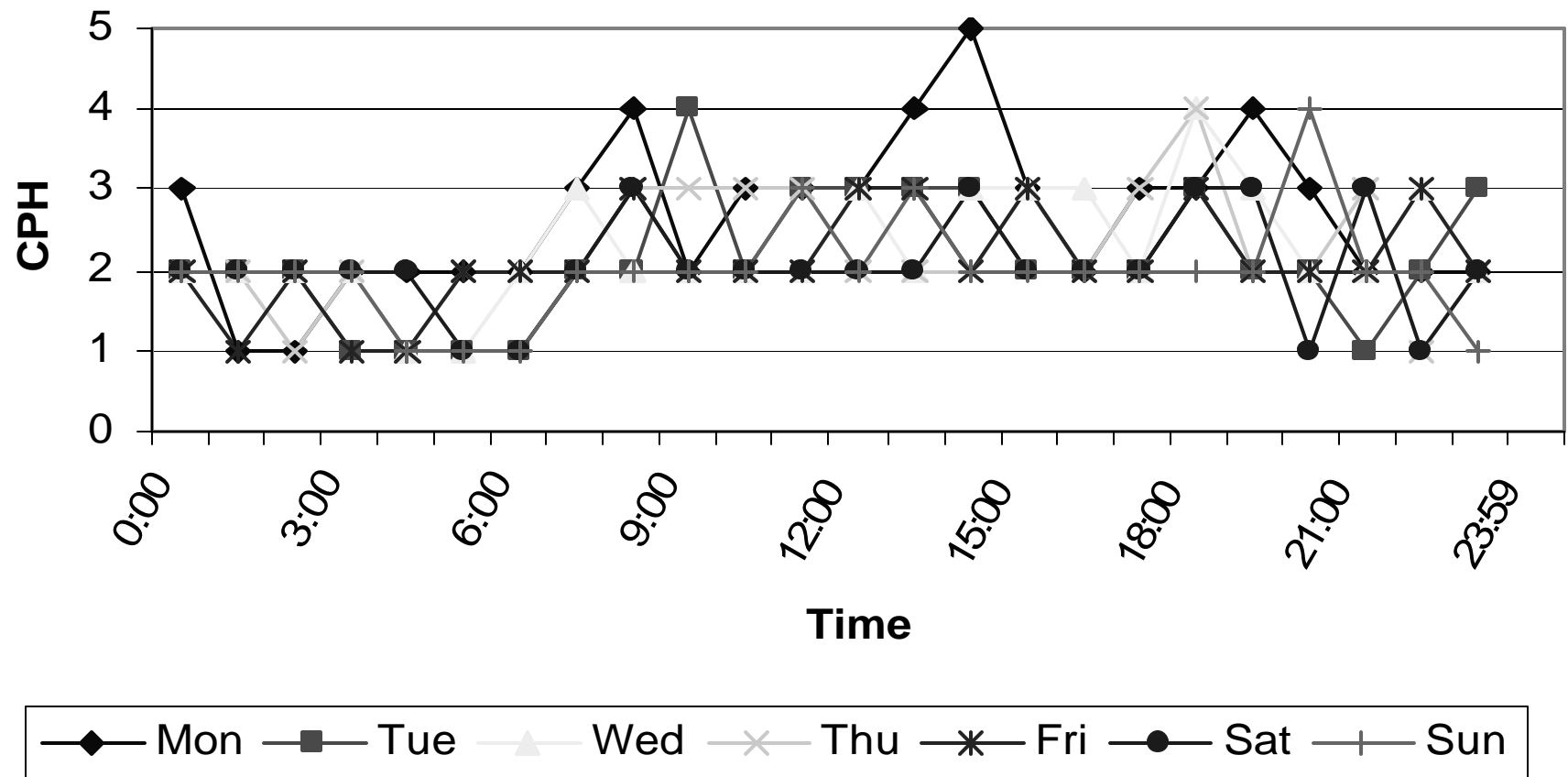
Combined Average Maximum Calls/hour 2002





Current Performance

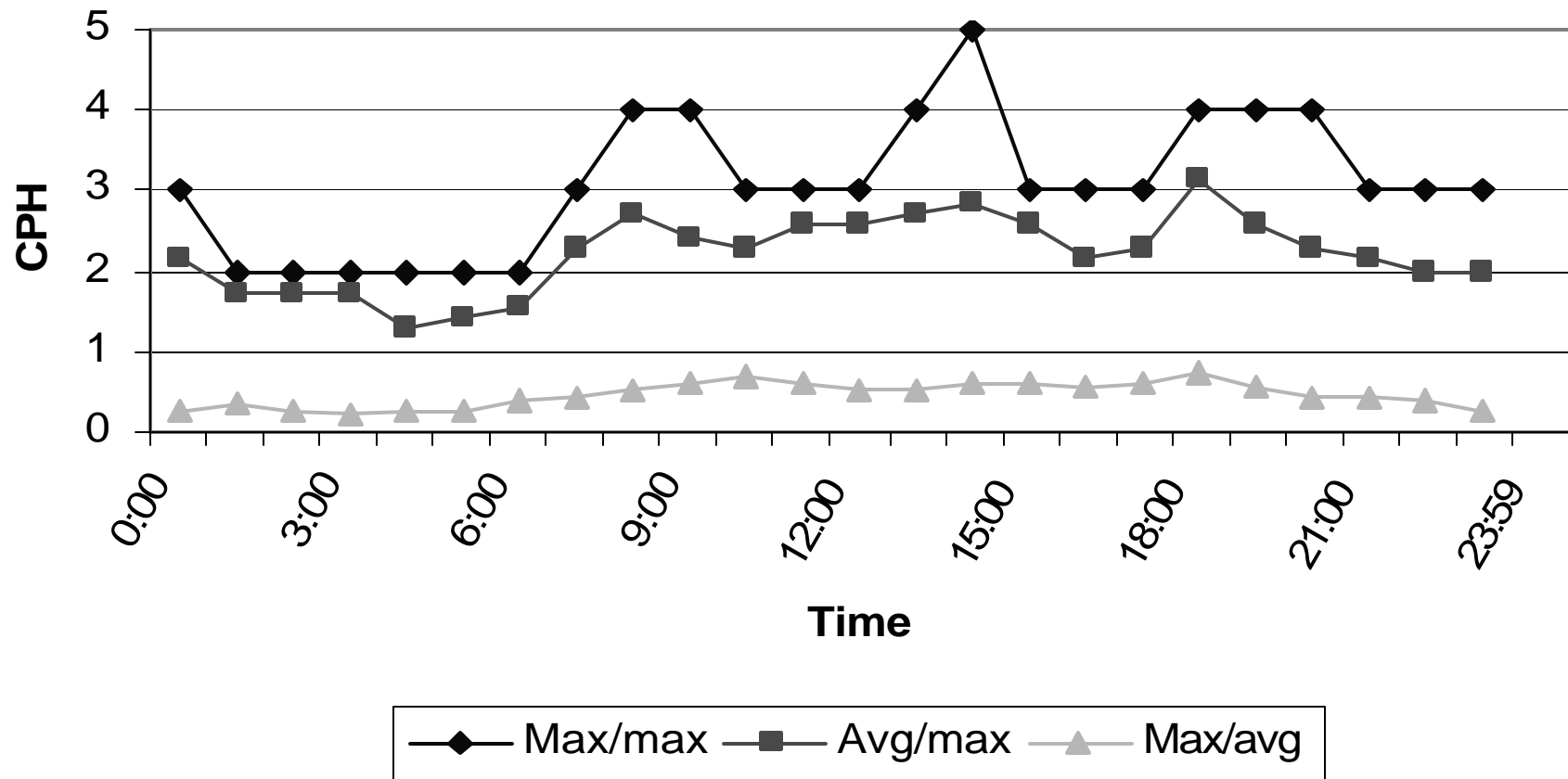
Daily Maximum EMS Calls/hour 2002





Current Performance

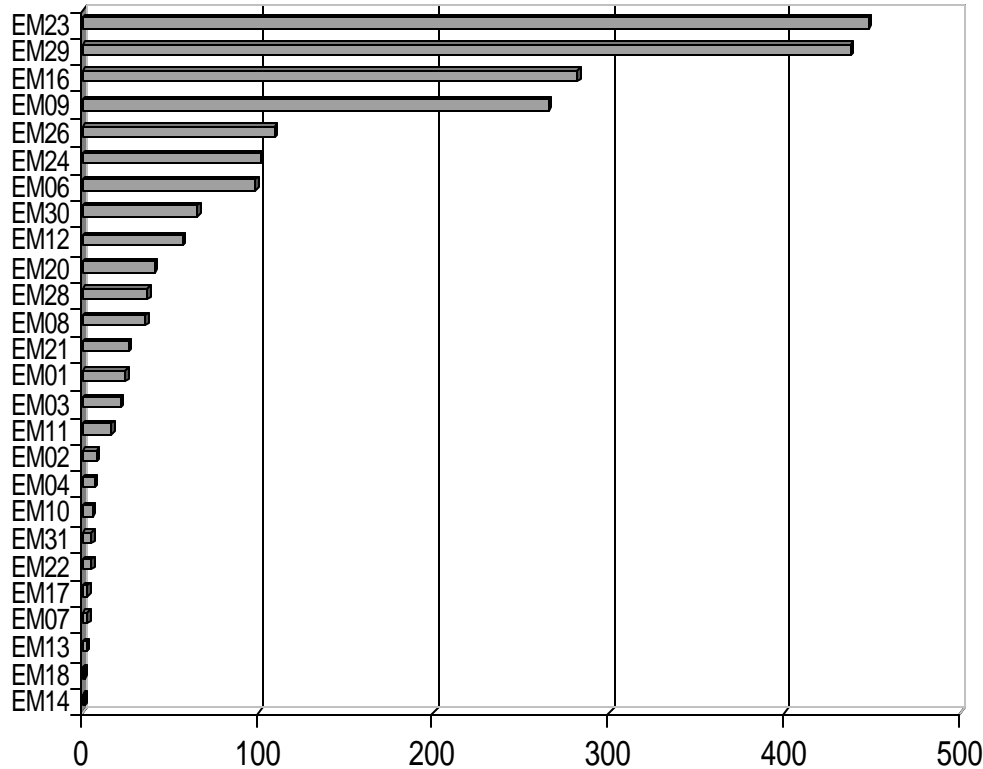
Combined Maximum EMS Calls/hour 2002





Current Performance

EMS Responses by Chief Complaint



EM23 Respiratory

EM29 Unconscious

EM16 Fall

EM09 Choking

EM26 Stroke

EM24 Seizure

EM06 Bleeding

EM30 Unknown Problem

EM12 Diabetic Problem

EM20 Overdose/Ingestion

EM28 Trauma

EM08 Cardiac Arrest (36)



Needs Analysis

- Communications/Dispatch
 - ? Accuracy of Chief Complaint
 - ? Dispatch Process Data
 - ? EMS Chief Complaint Code
 - ? Cancelled Calls/Units
 - ? First-due, Second-due, etc.
 - ? Emergency, Non-emergency



Needs Analysis

➤ First Response

- ? ALS Application

- ? Phased Implementation

 - ? Distribution

 - ? Equity



Needs Analysis

➤ Transport

? Business Practices

- ? Competing for Patients

- ? Ignoring Value of First Response

? Operational Issues

- ? Accountability

- ? Customer Service



County Issues

- Exclusive Operating Areas
 - ? RFP/Contract
 - ? System Design
- Oversight/Quality Management
 - ? Dispatch
 - ? Status Quo



LFD Solutions

- Paramedic First Response
- Customer's Perspective
- Community Benefit
- Quality Management



San Joaquin County EMS Agency

System Redesign and Ambulance Contract



System Redesign

➤ Operating Areas

? Current Ambulance Zones (non-exclusive)

? 1, 2, 3, 4 (Lodi), 5

➤ Exclusive Operating Areas

? Single Zone

? Multiple Zones



System Redesign

- First Responder Fee
 - ? Advanced Life Support
 - ? Basic Life Support



System Redesign

➤ Resource Allocation

? Response Times

? Available Units



System Redesign

- Performance Accountability
 - ? Equitable Service Delivery
 - ? Meaningful Penalties for Non-compliance

Ambulance Contract



- Bidder Credentials
- Emergency and Non-emergency
- Reserve Capacity
- Changing Environment



Lodi Fire Department



Public/Private
Partnership



History

- October 2002; Council directs FD to develop paramedic program
 - ? Council further directs formation of public/private partnership
- September 2003; partnership proposals returned and evaluated
- January 2004; Here we are!



Options

- Remain independent (No Partnership)
- Negotiate with AMR
- Negotiate with FREMS
- Negotiate with Stockton FD



Independent (Pro)

- Program development outside of partnership needs
- May be other partners out there
- County RFP 2 years out



Independent (Con)

- No offsetting revenue
- Learning opportunities reduced
- Participation constraints
- Level of service enhancement delayed



AMR (Pro)

- Labor cost reimbursement approximately \$150,000
- Large national company
- Experienced in RFP process
- Impressive ally



AMR (Con)

- Not local
- Proposal elements not integrated
- Agreement will require monitoring
- Some elements economically neutral

FREMS (Pro)



- Vest control with Fire Department
- View partnership as relationship
- Offers service enhancements
- Growth thru operations, not acquisition



FREMS (Con)

- Small company
- Limited experience in county-wide RFP
- Some elements vague



Stockton FD (Pro)

- Stable, local, fire service organization
- Has long-term agreements with LFD
- Economies of scale



Stockton FD (Con)

- Narrow perspective
- Multiple partners



Council Action

- Council Engaged in System Redesign/RFP
- Consensus on Partnership
- Budget Support for Program





CITY OF LODI FIRE DEPARTMENT



MEMORANDUM

DATE: January 27, 2004
TO: City Council, thru Dixon Flynn
FROM: Michael E. Pretz, Fire Chief
SUBJECT: Ambulance Public/Private Partnership

Council approved the Lodi Fire Department Paramedic Program in October 2002, and we are moving forward with implementation during the 2004-05 fiscal year. For the past several months the Fire Department has been seeking and evaluating partnership opportunities and have undertaken this task with due deliberation.

In evaluating a partnership, control by the Fire Department of the overall Emergency Medical Service System (EMS) in the City of Lodi was paramount. Of equal importance were marginal cost recovery to offset Fire Department costs and the ability of the Fire Department and its partner to meet excess capacity service demands.

Fire Department staff sent letters of inquiry to American Medical Response (AMR), First Responder Emergency Medical Services Inc. (FREMS), and Priority One Medical Transport. We received responses from AMR and FREMS. I have enclosed a summary from both proposals.

The City of Lodi has four options to evaluate;

- 1) Remain independent (no partnership),
- 2) Partner with American Medical Response (AMR)
- 3) Partner with First Responder (FREMS).
- 4) Partner with Stockton Fire Department. (SFD)

Option 1. Remain Independent: By remaining independent the Lodi Fire Department may be able to take advantage of partnerships with other agencies not currently providing service in San Joaquin County. The Board of Supervisors recently approved the consultant agreement to develop a Request for Proposal for exclusive operating areas in Ambulance Zones 1-5. The RFP will take between 18 and 24 months to develop and implement. During the intervening months ambulance operations will continue unchanged.

During the next several months the EMS system will be redesigned by the consultant with input from system stakeholders. At this point in time we have no idea what the

EMS system will look like nor do we know if a partnership will be allowed to continue beyond the implementation and awarding of exclusive operating contracts. Independence may allow our fire department to be in a better bargaining position for future contracts.

Recently, I have been appointed as the County Fire Chiefs Association's representative to the Ambulance Steering Committee. This committee is very important to the redesign of the EMS system, as such, the formation of a partnership at this time may jeopardize my participation on the steering committee.

With these elements in mind, we recommend Option 1.

Option 2. Partner with American Medical Response (AMR): The AMR proposal is written in the form of an agreement which implies there are few, if any, substantive issues to address. The AMR proposal has not varied significantly since first proposed in April 2001. The LFD-RFP clearly states "a contract ... will be very detailed." Nevertheless, the proposal/agreement prepared by AMR is not detailed. The proposal/agreement appears to go into effect after a county contract is awarded and assumes AMR will be awarded that contract (paragraph 1, Items 1 & 2).

Item 2 is the only component of the proposal to identify direct reimbursements to the city and only refer to "labor costs directly associated to the provision of ALS first response." There are additional costs LFD will incur (e.g., the EMS Coordinator, fuel and maintenance, dispatch) that are a part of the marginal cost of providing paramedic services to the community that will have to be addressed.

Items 3, 4, and 5 propose in-kind exchanges which may or may not have economic value to LFD. For example, Item 4 has no economic value as most CE is available at no cost, nor is Item 5; LFD can attach to any number of agencies' purchasing agreements.

Item 6 completely ignores 1/3 of patient contacts. The only organizational interaction mentioned in the proposal is the "Deployment Committee" which will recommend to the Fire Chief the number and placement of ambulances (Item 7).

Although the AMR proposal includes provisions for each of the three areas (incremental cost recovery, minimum number of ambulances, and ambulance provided to the city) listed in the RFP, those provisions are presented as isolated elements to meet the conditions of the RFP document rather than as components of a coordinated, cooperative partnership.

As an organization, AMR is large, sophisticated, and experienced. The company can bring to bear significant resources pursuing its perceived interests. This makes AMR an impressive ally and a formidable opponent. Any organization choosing to align its interests with AMR will have to be very careful regarding terms and conditions as well as extremely vigilant in monitoring performance and compliance.

For several years AMR and its parent corporation have been under severe financial pressure and the parent corporation has only recently emerged from bankruptcy protection. This makes them fiscally vulnerable, subject to sudden withdrawal from a market, and requires them to ship a significant fraction of local earnings to its out-of-state headquarters.

Option 3. Partner with First Responder Emergency Medical Services: The FREMS proposal is written in a manner that articulates its qualifications, its intended relationship with the city, and its ideas for creating community benefit. It is also sufficiently vague in that the proposal does not explicitly state the manner in which it would meet the three requirements listed in the RFP. However, FREMS does state it will vest control of the relationship with the City of Lodi.

The proposal includes various enhancements which indicate a willingness to take a coordinated approach to aligning service delivery methods to the needs of the community as well as sharing administrative, operational, and financial expertise. FREMS has proposed an oversight committee to monitor the new system and a steering committee to develop a curriculum for training FREMS personnel to create a pool of paramedics eligible for consideration for employment by LFD.

The FREMS proposal identifies programs for community education, preparedness, and self-help as well as specialized skills for field personnel. The community education and training elements of the proposal address skills training, wellness, and business opportunities (not related to transport) which may create additional revenues to supplement cost-recovery efforts.

FREMS is a company founded in Northern California that appears to attain its growth through operational efforts rather than through acquisition. Its executive management mixes a concern for community expectations with a progressive business philosophy.

Option 4. Partner with Stockton Fire Department: The Stockton Fire Department has expressed an interest in a partnership with the Lodi Fire Department. A partnership with the Stockton Fire Department would allow independent operations of the Lodi Fire Department with the added benefit of purchasing power of a larger city. The relationship between municipalities is very strong and operationally similar. A partnership could develop into a Joint Powers Authority Agreement with other municipal entities.

A partnership with Stockton Fire would entail using AMR as the transport agency until the RFP process has been finalized.

EVALUATION

American Medical Response

AMR is an aggressive, smart organization that has secured agreements with other fire departments in the county—presumably as part of its efforts to secure the ambulance contract for the entire county. If this is their strategy, an agreement with LFD would mean AMR has partnerships in at least four of the five non-exclusive zones. Assuming AMR is awarded an ambulance contract for Zone 4, partnering with AMR would minimize transition problems when the county contract goes into effect.

AMR will comply with the letter of the agreement, but the city should not rely on anything not explicitly contained in the partnership agreement. That means there will be fewer opportunities for organizational learning on LFD's part and the possibility LFD's position will be weakened or diminished depending on the terms of the County contract.

First Responder Emergency Medical Services

FREMS has taken a more neighborly approach to the partnership by offering to let LFD be the lead agency in any agreement, to provide resources not included in the RFP, and to create community benefit directly as well as in conjunction with LFD. FREMS is a relative newcomer to San Joaquin County, which makes it somewhat of a dark horse in the pursuit of a county ambulance contract. Nevertheless, there appear to be more opportunities for organizational learning by LFD and a better chance the agreement will be more of a partnership than a mere contract of performance and consideration.

Stockton Fire Department

Although no written proposal was submitted, the Lodi Fire Department and the Stockton Fire Department have held several discussions on this subject for the past two years. One of the original proposals was to form a Joint Powers Agreement (JPA) and submit a formal bid to the County to provide ambulance service. Without city-owned ambulances, service delivery would have been difficult. A partnership with Stockton Fire Department would provide the Lodi Fire Department with all the necessary elements to make the LFD paramedic program successful.

Afterword

Council should be aware that any proposed partnership may only last until San Joaquin County EMS Agency awards an exclusive operating contract to a private provider. The award of exclusive operations may include one of our proposed partners or a contractor not currently operating in the County. SJEMS has just awarded a consultant contract to California State University Chico Research Foundation. The consultants have started to collect data and meet with the stakeholders to discuss the redesign of the EMS system. The first draft of the RFP is scheduled to be released in May 2004. After the draft RFP has been released we will have a better idea on the direction the County will take. At that time we will return to Council with a partnership proposal.